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Incorrect prices for prescription drugs were used for the CPI-U and CPI-W indexes from May through August 2016 in a number of areas. Several indexes were affected, including the all items and medical care indexes. A list of the series affected can be found at www.bls.gov/bls/errata/cpi-price-corrections-10182016.htm, and the corrected data are available in the CPI database (www.bls.gov/cpi/data.htm).

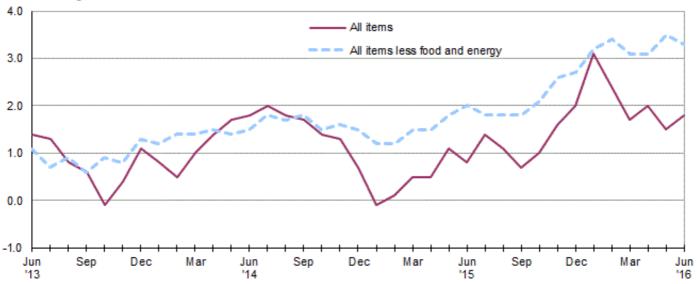
# Consumer Price Index, Los Angeles area — June 2016 Area prices were up 0.1 percent over the past month, up 1.8 percent from a year ago

Prices in the Los Angeles area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), inched up 0.1 percent in June, the U.S. Bureau of Labor Statistics reported today. (See <u>table A</u>.) Assistant Commissioner for Regional Operations Richard Holden noted that the June increase was influenced by higher prices for shelter, gasoline, and medical care. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U rose 1.8 percent. (See <u>chart 1</u> and <u>table A</u>.) Energy prices fell 12.6 percent, largely the result of a decrease in the price of gasoline. The index for all items less food and energy increased 3.3 percent over the year. (See table 1.)

Chart 1. Over-the-year percent change in CPI-U, Los Angeles, June 2013-June 2016





Source: U.S. Bureau of Labor Statistics.

#### Food

Food prices edged up 0.2 percent for the month of June. (See <u>table 1</u>.) Prices for food at home increased 0.3 percent, while prices for food away from home edged up 0.1 percent for the same period.

Over the year, food prices rose 1.4 percent. Prices for food away from home increased 4.0 percent, but prices for food at home declined 0.5 percent since a year ago.

## **Energy**

The energy index advanced 1.5 percent over the month. The increase was mainly due to higher prices for gasoline (2.5 percent). Prices for natural gas service advanced 0.5 percent, but prices for electricity decreased 0.6 percent for the same period.

Energy prices fell 12.6 percent over the year, largely due to lower prices for gasoline (-20.4 percent). Prices for natural gas service decreased 1.3 percent, but prices paid for electricity increased 2.0 percent during the past year.

## All items less food and energy

The index for all items less food and energy was unchanged in June. Higher prices for medical care (1.3 percent) and shelter (0.3 percent) were partially offset by lower prices for apparel (-2.9 percent), other goods and services (-1.1 percent), and recreation (-0.8 percent).

Over the year, the index for all items less food and energy increased 3.3 percent. Components contributing to the increase included medical care (11.0 percent) and shelter (4.3 percent). Partly offsetting the increases were price declines in household furnishings and operations (-0.7 percent) and education and communication (-0.5 percent).

Table A. Los Angeles-Riverside-Orange County CPI-U monthly and annual percent changes (not seasonally adjusted)

	2011		2012		2013		2014		2015		2016	
Month	Monthly	Annual										
January	0.9	1.8	0.8	2.1	0.8	2.0	0.5	0.8	-0.3	-0.1	0.7	3.1
February	0.5	2.3	0.5	2.1	0.7	2.2	0.5	0.5	0.7	0.1	0.0	2.4
March	1.1	3.0	1.0	2.0	0.1	1.3	0.6	1.0	1.0	0.5	0.3	1.7
April	0.5	3.3	0.0	1.5	-0.4	0.9	0.0	1.4	-0.1	0.5	0.2	2.0
May	0.0	3.1	0.1	1.6	0.1	1.0	0.4	1.7	1.0	1.1	0.5	1.5
June	-0.4	2.9	-0.4	1.6	-0.1	1.4	0.1	1.8	-0.3	0.8	0.1	1.8
July	-0.4	2.4	-0.1	1.9	-0.1	1.3	0.1	2.0	0.7	1.4		
August	0.2	2.4	0.6	2.3	0.1	0.8	-0.1	1.8	-0.3	1.1		
September	0.5	3.1	0.4	2.2	0.2	0.6	0.0	1.7	-0.4	0.7		
October	0.0	2.8	0.8	3.0	0.1	-0.1	-0.1	1.4	0.2	1.0		
November	-0.1	3.0	-1.0	2.1	-0.5	0.4	-0.7	1.3	0.0	1.6		
December	-0.5	2.2	-0.7	1.9	0.0	1.1	-0.5	0.7	-0.1	2.0		

The July 2016 Consumer Price Index for the Los Angeles-Riverside-Orange County is scheduled to be released on August 16, 2016.

### **Technical Note**

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at <a href="www.bls.gov/cpi">www.bls.gov/cpi</a> and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at <a href="www.bls.gov/opub/hom/homch17">www.bls.gov/opub/hom/homch17</a> a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE:Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.** 

The Los Angeles-Riverside-Orange County, CA. metropolitan area covered in this release is comprised of Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties in the State of California.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periodsLos Angeles-Riverside-Orange County, CA (1982-84=100 unless otherwise noted)

		Indexes		Percent change from-			
Item and Group	Apr. 2016	May 2016	Jun. 2016	Jun. 2015	Apr. 2016	May 2016	
Expenditure category							
All items	248.368	249.671	249.947	1.8	0.6	0.1	
All items (1967=100)	733.789	737.638	738.454	-	-	-	
Food and beverages	251.897	250.510	251.004	1.4	-0.4	0.2	
Food	251.963	250.598	251.154	1.4	-0.3	0.2	
Food at home	256.657	253.763	254.595	-0.5	-0.8	0.3	
Food away from home	242.399	242.937	243.144	4.0	0.3	0.1	
Alcoholic beverages	235.990	234.374	233.951	1.4	-0.9	-0.2	
Housing	274.434	276.055	276.626	3.7	0.8	0.2	
Shelter	312.811	314.443	315.521	4.3	0.9	0.3	
Rent of primary residence (1)	327.656	328.735	329.915	4.5	0.7	0.4	
Owners' equiv. rent of residences (1) (2)	324.669	326.200	327.546	4.2	0.9	0.4	
Owners' equiv. rent of primary residence (1) (2)	324.650	326.181	327.527	4.2	0.9	0.4	
Fuels and utilities	295.939	300.793	300.817	2.5	1.6	0.0	
Household energy	255.231	261.547	261.739	0.9	2.5	0.1	
Energy services (1)	253.993	260.877	260.003	0.7	2.4	-0.3	
Electricity (1)	298.355	298.389	296.613	2.0	-0.6	-0.6	
Utility (piped) gas service (1)	196.540	219.975	220.986	-1.3	12.4	0.5	
Household furnishings and operations	115.712	115.949	114.955	-0.7	-0.7	-0.9	
Apparel	113.514	113.211	109.947	1.6	-3.1	-2.9	
Transportation	193.329	195.090	195.993	-6.0	1.4	0.5	
Private transportation	187.864	188.844	190.370	-5.8	1.3	0.8	
Motor fuel	217.508	217.766	223.300	-20.3	2.7	2.5	
Gasoline (all types).	213.056	213.204	218.530	-20.4	2.6	2.5	
Gasoline, unleaded regular <sup>(3)</sup>	213.367	213.511	218.907	-20.6	2.6	2.5	
Gasoline, unleaded ridgrade (3) (4)	203.592	204.417	209.352	-19.9	2.8	2.4	
Gasoline, unleaded mingrade	204.154	204.179	208.968	-19.2	2.4	2.3	
Medical care	448.437	462.437	468.661	11.0	4.5	1.3	
Recreation (5)	107.340	107.517	106.631	2.2	-0.7	-0.8	
Education and communication (5)	145.919	145.504	145.366	-0.5	-0.7	-0.0	
Other goods and services	389.765	391.155	386.699	0.5	-0.4	-1.1	
Commodity and service group							
All items.	248.368	249.671	249.947	1.8	0.6	0.1	
Commodities	175.171	174.696	174.677	-2.3	-0.3	0.0	
Commodities less food & beverages	134.996	134.916	134.689	-2.3 -5.0	-0.3	-0.2	
Nondurables less food & beverages	174.794	175.031	175.862	-5.9	0.6	0.5	
Durables	96.000	95.607	94.331	-3.7	-1.7	-1.3	
Services	313.483	316.380	316.920	4.2	1.1	0.2	
Special aggregate indexes							
All items less medical care	239.656	240.467	240.514	1.3	0.4	0.0	
All items less shelter.	220.292	221.452	221.364	0.3	0.5	0.0	
Commodities less food.	139.335	139.214	138.979	-4.7	-0.3	-0.2	
Nondurables	214.185	213.679	214.374	-1.9	0.1	0.3	
Nondurables less food.	180.497	180.641	181.421	-5.3	0.1	0.4	
Services less rent of shelter (2)	323.431	328.240	327.996	3.9	1.4	-0.1	
Services less medical care services.	301.870	303.974	304.460	3.6	0.9	0.2	
Energy	232.795	235.379	238.883	-12.6	2.6	1.5	

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periodsLos Angeles-Riverside-Orange County, CA (1982-84=100 unless otherwise noted) - Continued

	Indexes			Percent change from-			
Item and Group	Apr. 2016	May 2016	Jun. 2016	Jun. 2015	Apr. 2016	May 2016	
All items less energy					0.5 0.6	0.0 0.0	

<sup>(1)</sup> This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means

NOTE: Index applies to a month as a whole, not to any specific date.

<sup>(2)</sup> Index is on a December 1982=100 base.

<sup>(3)</sup> Special index based on a substantially smaller sample.

<sup>(4)</sup> Indexes on a December 1993=100 base. (5) Indexes on a December 1997=100 base.

<sup>-</sup> Data not available